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Guide for

DISTRICT OVERALL ECONOMIC DEVELOPMENT PROGRAMS



U.S.
DEPARTMENT
OF
COMMERCE

Economic
Development
Administration

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Guide for DISTRICT OVERALL ECONOMIC DEVELOPMENT PROGRAMS

Revised November 1972



**U.S. DEPARTMENT OF COMMERCE
Peter G. Peterson, Secretary**

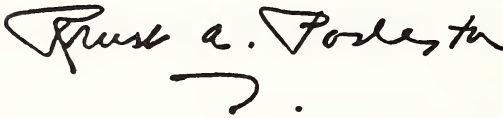
**Robert A. Podesta, Assistant Secretary
for Economic Development**

Foreword

To establish an effective job-creating program, a development district must first analyze its basic development problems and know what resources are available to help build or strengthen local economic activity.

Appropriately, the Public Works and Economic Development Act of 1965 requires each development district to prepare an Overall Economic Development Program (OEDP) and to have it approved in order to become eligible for financial assistance from the Economic Development Administration.


This booklet is a guide to district leaders in preparing and submitting their OEDP and in updating it annually as part of a continuing development program.

A handwritten signature in black ink, reading "Robert A. Podesta". The signature is written in a cursive style with a large, stylized initial 'R' and a long, sweeping underline.

Robert A. Podesta
*Assistant Secretary
for Economic Development*

Contents

	<i>Page</i>
The Overall Economic Development Program	1
Administrative organization	1
Framework for a development program	2
Preliminary development goals, strategy, and program	4
Management strategy and annual work program	5
Annual Reports	5
Report on the past year	6
New analytic findings and their significance to the development strategy	6
Continuing refinement of the development strategy and program	6
Management strategy and internal work program for the coming year	6
Appendix I Growth Center Selection	7
Appendix II EDA Environmental Procedures	8
Section I Environmental profile	10
Section II Ecological impact profile	15



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The Overall Economic Development Program (OEDP)

These guidelines are designed to assist the district board and its professional staff in documenting the initial phase of their planning activities to provide a frame of reference and a preliminary direction to the ongoing formulation of a comprehensive planning and action program. At the same time the document must satisfy the legislative requirements under which the Economic Development Administration (EDA) operates.

The outline of the document's structure and content is intentionally not exhaustive as planning needs and capabilities will vary widely among individual districts. More detailed planning guidance is available in such agency publications as the "Handbook for Economic Development District Organizations" and from the planning staffs in the EDA Regional Offices.

1. Administrative organization

(i) Brief description of the participating counties, their names, whether redevelopment areas, a list of major urban places, and a summary of the reasons for this particular grouping of counties.

(ii) Description of the district organization; the articles of incorporation and bylaws; names of board members, their professions, places of residence, and relevant fields of expertise or interest; and tentative schedule of board meetings. If the Overall Economic Development Program (OEDP) committees in individual redevelopment and/or Title I areas in the district elect to have the district's OEDP documents serve their planning needs and designation obligations, letters to this effect

should be included in this section. Information should also be included on the professional staff and its relationship to the district organization.

2. Framework for a development program

In the first part of this section, the district should summarize its findings based on analysis of basic socioeconomic data from the Census Bureau and other sources and additional locally collected information. In the second part, the district should outline the problems identified by the analysis, deficiencies appearing as a result of the initial exploration of possible solutions, and the growth trends and potentials that may represent a foundation for the development program.

Part 1

(i) Overview

In this introductory subsection, the district should amplify the following topics: significant regional features that affect the development program, such as geography, urban centers outside the district, traditional economic activities; the relationship of the district to the larger region; the pattern of population distribution within the district, and past population changes.

(ii) The state of the economy

The district should summarize briefly its principal findings with regard to such matters as the mix and range of economic activities, the relative proportions of employment in the different sectors, major products and their markets, the geographical distribution of economic activity, trends in employment and output of the important sectors over the last few years, and the relationship of the district's economy to that of the region in which it is located.

(iii) Natural resources

The district should describe in terms of quantity and quality any natural resources important to its economy. In addition, the district must address the issue of environmental protection. The district should prepare an environmental profile in order to identify those assets of significant value that they wish to protect, improve, or exploit as well as any existing environmental problems associated with those assets. When preparing such a profile, the district should specify existing plans for developing identified assets, constraints to the utilization or preservation of assets, and anticipated environmental impact of proposed development of such assets. The result of such an environmental profile should be the development of a proposed work program regarding environmental quality compatible with and related to the overall development strategy for the district as well as environmental programs proposed by State agencies. Detailed guidance on this subject is provided in appendix II.

(iv) Physical infrastructure

Some items of physical infrastructure are directly related to economic development, such as transportation facilities and linkages with regional markets, industrial sites, and public utilities. Others such as educational, recreational, and health facilities are more indirectly related, but a lack of them may have a significant bearing on the district's potential for development. The district will want to inventory and evaluate its physical infrastructure because a high proportion of the public resources available for development are earmarked for physical infrastructure projects.

(v) Human resources

The people of the district are both the ultimate beneficiary of the development program and an important resource. The spatial distribution of the population; its age, sex, and racial characteristics; its educational and skill levels will be important in determining the direction and content of the development program and should be summarized here. For example, the attraction of certain types of industry may be precluded if the necessary skills are absent from the labor force, or may be predicated upon developing a training program if potential exists.

(vi) Financial resources

Are personal and commercial loans readily available? Will communities in the district be willing and able to raise money by increasing bonded indebtedness for the local share of projects? What other financial resources may be tapped? Obviously these comments will be of a general nature, but they will help assess the financial resources of the district.

(vii) Current programs and projects

Some of these may provide models for future district-sponsored projects, and others may have a piggyback potential. Further, they may be indicative of the degree of community awareness and attitudes toward change. One should know about programs already under way.

Part 2

(i) Problems and deficiencies

Certain problems, such as high unemployment, will be immediately obvious; others will emerge as the district explores ways to achieve its initial set of broad goals. It is the latter that the district, in practical terms, must come to grips with through its development program. For example, lack of an adequate transportation link with a major urban area could be considered a deficiency; however, it would be a deficiency only if it hindered the exploitation of a real potential, such as a known market in the urban area for a district product. It is important to distinguish between deficiencies that impede development and those that it merely would be nice to remedy; hence, the need to focus on the areas of real economic potential is crucial.

(ii) Growth trends and potentials

Growth trends include those types of economic activities that have been expanding in the district in the last 5 years. The term potential as used here refers to development opportunities and should include those factors or local resources which, if properly directed, can contribute to accelerated economic development. Examples of such potentials are: underutilized natural resources—if tourism and recreation are growing in the region, a lake, a river, or points of historical interest could be the basis of a development program; an underskilled labor force that with appropriate training could make the district competitive in the region; transportation facilities that would help the district capture spillover industrial activity from a nearby metropolitan center if suitable sites could be developed.

3. Preliminary development goals, strategy, and program

This section of the document should show the goals that the district board has agreed upon as being realistic and desirable and the preliminary strategy and program that appear appropriate to their achievement. At this very early stage in the district's existence, goals may be tentative, requiring further analysis and evaluation before becoming a firm part of the program. Consequently, the strategy to achieve them will be contingent upon their further evaluation and also will require further analysis and comparisons of alternative courses of action before becoming stated district policy. However, these tentative goals and the preliminary strategy formulation should be documented as they set the direction of the coming year's effort. If the board has agreed on some specific programs and projects to implement the development strategy, they should be described.

(i) Goals

These could be categorized and tabulated. The goal areas that the district feels to be of major importance and that will be the initial focal points of program planning at this time should be detailed with reference to the potentials they are based upon and the problems that must be tackled in order to achieve them.

(ii) Development strategy

Goals set the broad direction for the district program—but to translate them into an action program requires the formulation of strategy based on an analysis of different alternatives and the setting of intermediate program objectives. This subsection should describe for each goal area the strategy considered appropriate on the basis of identified problems and potentials and the resources that the district anticipates will be available to it.

(iii) *Development program*

Here the district should describe the programs and projects designed to implement the strategy for each goal area. Because goals are often linked, the district should show, as far as it is possible, the interdependencies. Formulation of the development program will be a long-term activity based on continuing research and analysis, consideration of alternatives by the board, and ultimately decisionmaking. Only a very limited program should be outlined at first.

4. Management strategy and annual work program

In this section of the document, the district will indicate how it intends in the coming year to allocate its resources—i.e., its professional staff, citizen groups, local colleges—to evaluate and implement selected parts of the development program and, at the same time, to broaden and deepen the development strategy with appropriate research and analysis.

(i) *Strategy*

In this subsection, the district should discuss the reasons for the selection of the activities being scheduled for the coming year with reference to their relationship to the development program and available staff time and expertise.

(ii) *Work program*

This should consist of a list of the specific activities and tasks to be undertaken, their duration, by whom they will be performed, the scope of the assignment, and the expected results. The work program should be laid out with the intent of enabling the executive director and the board to manage and monitor the operation of the program more effectively.

Annual Reports

In order to maintain its eligibility for EDA program funds, a district is required to submit an annual report on the anniversary of its designation, describing the progress of its planning program. As with the OEDP, it is emphasized that these reports should be considered primarily as a part of the local planning process and should, therefore, be tailored to the individual district's needs while generally observing the EDA's guidelines in order to meet legislative requirements.

The annual report should cover the following principal subject areas: the past year's activities, new analytic findings, refinement of the development strategy, and the management strategy and internal work program for the coming year.

1. Report on the past year

This should be based on the strategies and work program laid out in the OEDP or the previous annual report, and should cover the whole range of district activities from research and planning to project implementation. This provides the district and EDA with a means of evaluating the district's past year's work relative to its stated objectives.

2. New analytic findings and their significance to the development strategy

The results of any research and analysis should be described, and their implications for strategy discussed. Any new policy or program decisions made by the board should be included. In the annual report following the OEDP, this section would be expected to reflect new insights into the district problems and potentials after a more in-depth review of the initial analysis.

3. Continuing refinement of the development strategy and program

Following the format used in the OEDP, the district should describe any new programs and projects that have been designed and indicate how these fit into the overall strategy in terms of the problems they address and the results that may be expected. As the district matures, it should be increasingly able to articulate its development program, to present well fleshed-out projects, and to build a time frame into its program.

4. Management strategy and internal work program for the coming year

In structure this section should resemble that of the OEDP and in content will follow from the development program described in this document.

Appendix I: Growth Center Selection

On the basis of the district's recommendation and the information in this section, EDA will designate an economic development center for the district. In addition, a detailed boundary description should be attached to this section.

In most districts, one urban place will clearly stand out as being most appropriate for designation. In such a case, a brief socioeconomic description and summary of the features that make it superior to other urban places will be sufficient.

If there is no single dominant choice for an economic development center, a comparative analysis of potential centers should be made. Research and evaluation indicate that three factors are particularly important in determining the effectiveness of an urban place as a growth center:

(i) Size

Center should have a population of at least 10,000. It cannot be more than 250,000.

(ii) Population growth

This is an indication of the economic activity going on in the center. The most effective centers have been found to have a 1960-70 growth faster than the regional average.

(iii) Distance from redevelopment areas

Since growth of the center should be of direct benefit to redevelopment areas, it is important that they be within reasonable commuting distance of the center. The distance may vary with the type of roads, mode of transportation, and weather conditions. However, 30 minutes driving time one-way generally should be considered the maximum.

Not all districts will have centers meeting all these criteria. In such cases, those coming closest should be selected.

In districts with two or more good center candidates, intangible factors such as community awareness and leadership may be given weight in making selections.

Appendix II: EDA Environmental Procedures

As part of its contractual agreement, each recipient of an EDA planning grant assures the agency that due consideration will be given to the protection of the environment. Since all planning documents must reflect this concern, an attempt has been made to summarize in nontechnical language the highly complex factors that, individually and collectively, make up what is meant by an "impact on the environment." The procedures EDA has developed and is distributing have been designed to provide workable tools with which local areas as well as EDA can give proper consideration and attention to the environmental issue.

Legislative background

The national concern over the progressive deterioration of the human environment is expressed legislatively in the language of the National Environmental Policy Act of 1969 (NEPA). This Act has been enacted to establish a national policy to encourage productive and enjoyable harmony between man and his environment; to promote efforts to prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; and to enhance the ecological system and natural resources important to the Nation. EDA will use the environmental profile attached to this document as its instrument to assure compliance with the Act.

The NEPA does not impose decisions. Instead, it is designed to assist decisionmakers in making judgments affecting the environment. The Act does declare that it is the responsibility of every agency of the Federal Government to give proper consideration to the subject of environment. The Act says that Federal activities should, to the extent possible, tend to reverse the course of environmental degradation.

The Act requires that environmental impact statements be prepared for all proposed Federal actions that are expected to significantly affect the quality of the human environment. Such statements are to be made for positive as well as adverse environmental impact. For example, a statement prepared for the clearing of a forest might, of necessity, be directed towards two major impacts: the negative impact of cutting standing timber and the positive impact of making room for the growth of younger trees. Although the Act requires the evaluation of positive as well as negative impacts, the EDA summary emphasizes negative factors that are most likely to have an adverse bearing on the approval of proposed projects.

NEPA and EDA environmental procedures

It is EDA's objective that grantees act in the spirit of NEPA.

EDA's approach with regard to environmental procedures has been designed to be practical and program-related. Considering environmental issues along with social and economic considerations and relating environmental efforts to the development program may provide a way of eliminating the need for individual project environmental impact statements. During EDA's initial approach to and concern for environmental impact created by EDA-assisted projects, several guides that are designed to provide elementary assistance have been developed. These guides have been included as part of an integral package as Sections I and II of these procedures.

Section I is an *Environmental Profile* to help economic development districts and redevelopment areas identify those environmental assets of significant value. It also helps identify development priorities and constraints to the utilization or preservation of assets. It requests the identification of the relationship of proposed development to the development program for a particular district or redevelopment area as well as of the potential environmental impact of the proposed development. Additionally, the form asks for proposed actions to protect, improve, or exploit existing environmental assets considered to be of significant value; also for proposed actions to remedy causes of existing sources of pollution, and to prevent and/or curb future pollution. The profile also provides the means for identifying the relationship of proposed local programs to those prepared by State environmental agencies.

Section II is an *Ecological Impact Inventory*. It permits a broad pollution price tag to be affixed to each proposal; a cost estimate of negative impact on environment. It has been designed to permit the identification of socioeconomic benefits related to a proposed action, the assets likely to be affected, the direction of anticipated impact, the type and degree of anticipated environmental impact, and methods of reducing negative impact.

Completing the profile and the inventory not only will help meet requirements of the NEPA, but it also will provide local areas with a far better understanding of where they are and where they may be going in terms of social, economic, and environmental factors of their development programs.

It should be understood that project proposals for which significant negative environmental impact is anticipated will not necessarily be denied. What the NEPA does require is that careful and proper consideration and account of relevant environmental factors be taken, including the consideration of alternatives. Certainly it is possible that project proposals with significant anticipated negative environmental impact could, at times, be justified and approved on a socioeconomic basis.

Section I—Environmental Profile

Before man can protect his environment, he must first recognize and have a keen understanding of the problems in his locale and then must act intelligently to solve them. This guide has been designed to assist officials in economic development districts and redevelopment areas in performing such tasks.

A. Environmental background

This section should describe the general environment of the area; location, climate, topography, geology, soil and water conditions, fire prevention, water drainage, noise levels, etc. It also should identify those environmental assets (public as well as private) the area has. Identified assets should be of significant value and should also be those intended for protection, improvements, or exploitation. Identification of assets should be as explicit as possible—the attached checklist might assist in identifying assets. If minerals are an asset, the kinds of minerals should be identified.

Location

It is not necessary to identify specific locations by address or landmarks. A simple indication of the type of area in which the asset is located is sufficient; for example, urban center, suburban, rural, and rural isolated.

Description and sources of existing environmental problems

This section should identify and describe sources of existing environmental problems associated with identified important assets. Examples are the pollution of a stream by mining silt or the pollution of certain areas due to extensive industrialization. Esthetic value should not be neglected. Rubbish dumps, junked-car yards, and poorly placed billboards detract from an area's beauty.

Development priority

If there are plans to develop identified assets, indication should be made whether development is to take place immediately or in the future. If no plans have been made, this should be noted.

Constraints to utilization or preservation of identified assets

If any constraints to the utilization or preservation of identified assets exist, they should be identified in this section. Constraints might be administrative, legal, or geographic. An example of a legal constraint might be the pre-emption of local land-use and zoning regulations by State law. This section also should address environmental problems such as seismic conditions and severe climatic conditions that are not directly related to identified assets, but will nevertheless inhibit growth.

Related elements of development program

The relationship between the development program for the area and development plans for identified assets should be made clear.

Potential environmental impact of proposed development

The degree of potential environmental impact that proposed development of identified assets might be expected to have should be described in terms of a direct impact, indirect impact (such as acid runoff), or no impact.

B. Identification and determination of degree of adequacy of existing environmental protection systems related to identified assets

Systems

Existing environmental protection systems should be identified.

Location

A simple indication of the type of area in which the system is located is sufficient.

Adequacy

The adequacy of existing environmental protection systems should be determined by the best measures possible, e.g., million gallons per day, adequacy of zoning regulations, ability to handle traffic, etc.

Identification of positive and negative effects on environment

Existing environmental protection systems could have both positive and negative effects upon the environment. For example, water and sewer systems have positive effects provided they are adequate. If they are inadequate they have a negative effect to the degree to which they are unable to serve the needs of the area. The lack of a needed system would have an entirely negative effect. Systems presently needed but non-existent should be identified at this point in the profile.

Development priority

If there are plans for developing environmental protection systems, indication should be made as to whether development is to take place immediately or in the future. A lack of plans also should be noted.

Constraints to utilization or preservation

Existing environmental protection systems might be unable to serve the entire needs of the area because of an insufficient number of systems, obsolescence, inefficiency, etc.

Related elements of development program

The relationship of development plans for existing environmental protection systems to the overall development program for the area should be described.

Potential environmental impact of proposed development

The degree of potential environmental impact that proposed development of existing environmental protection systems might be expected to have should be described in terms of direct impact, indirect impact, or no impact.

C. Proposed work program regarding environmental quality

Proposed actions for removing existing sources of pollution; for protecting, improving, or exploiting existing environmental assets; and for preventing and curbing future pollution, should be described in detail.

Development priority

See previous explanations.

Related elements of development program

See previous explanations.

Potential environmental impact of proposed development

See previous explanations.

D. Summary analysis

This section should provide a descriptive narrative of the major environmental problems in the area and of how the proposed programs relate to those proposed by State environmental agencies.

Environmental Profile _____

I. Identification of area environmental assets to be protected.

(When an asset on this list is not applicable, the item should be omitted.)

Public and private assets

Air quality

_____ Air

Water quality

_____ Rivers and streams

_____ Lakes

_____ Reservoirs

_____ Other water sources

Land use

_____ Topography

_____ Agricultural land

_____ Commercial land

_____ Industrial land

_____ Residential land

_____ Human occupation and habitation

_____ Recreational areas

_____ Transportation systems

Resources

_____ Forests (with timber or land value)

_____ Mineral resources (of value and exploitable)

_____ Energy sources and services

Esthetic—parks, wildlife, etc.

_____ Beaches

_____ State and national parks

_____ State and national monuments

_____ Vegetation

_____ Wildlife

Other (list)

II. Identification and determination of degree of adequacy of existing environmental protection systems related to above assets.

A. Sewage systems in growth centers

1. *Total capacity*

a. Industrial waste

b. Community waste

2. *Present utilization*

a. Industrial

b. Community

B. Other sewage systems

1. *Total capacity*

a. Industrial waste

b. Community waste

2. *Present utilization*

a. Industrial

b. Community

C. Solid waste disposal systems in growth centers

1. *Total capacity*

a. Industrial waste

b. Community waste

2. *Present utilization*

a. Industrial

b. Community

D. Other solid waste disposal systems

1. *Total capacity*

a. Industrial waste

b. Community waste

2. *Present utilization*

a. Industrial

b. Community

E. Water distribution systems in growth centers

1. *Total capacity*
 - a. Industrial consumption
 - b. Community consumption
2. *Present utilization*
 - a. Industrial
 - b. Community

F. Other water distribution systems

1. *Total capacity*
 - a. Industrial consumption
 - b. Community consumption
2. *Present utilization*
 - a. Industrial
 - b. Community

G. Fire protection systems

H. Water sources

Reservoirs
Ground
Rivers
Other

I. Land zoning in growth centers

Industrial
Commercial
Residential
Recreational

J. Land zoning elsewhere in the district

Industrial
Commercial
Residential
Recreational

K. Transportation control systems in growth centers

Highways
Access roads
Rail
Airports
Other

L. Transportation control systems elsewhere in the district

Highways
Access roads
Rail
Airports
Other

Section II—Ecological Impact Inventory

EDA environmental procedures provide for early consideration of the environmental effects of EDA-assisted activities at several important levels of government. The inventory has been designed to enable applicants during their planning efforts to identify and consider the impact of their proposals as well as to provide EDA with information it needs to comply with the National Environmental Policy Act of 1969. This inventory will be cleared through EDA Regional Offices.

Ecological Impact Inventory

Program description and related projects

The overall economic development program for the area should be described and related project proposals identified.

Anticipated socioeconomic benefits

Socioeconomic benefits anticipated from the overall development program for the area and related project proposals should be described in detail.

Environmental assets that may be affected and expected—Direction of impact

Assets from the environmental assessment that may be affected by each development should be listed with identification of expected direction of impact (positive or negative).

Type and degree of anticipated environmental impact

Among types of environmental impact are air, water, solid waste, noise, and land use. Degrees of impact are maximum, medium, minimum, none.

Summary analysis of anticipated environmental impact

This section should describe any alternatives to the proposed development, any adverse environmental effects that cannot be avoided should the proposal be implemented, the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and the relationship to environmental programs of the State and/or other units.

Methods of reducing anticipated negative environmental impact

These should be described in detail.

Conclusions

Answers with explanations should be given such questions as are listed below:

After considering the pros and cons, should the proposed program be pursued? Will the proposed development program significantly affect the local environment? Do socioeconomic benefits outweigh negative environmental impact?

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